

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
In Re ROYAL BANK OF SCOTLAND GROUP PLC  
SECURITIES LITIGATION.

09 Civ. 300 (DAB)

ORDER

-----X  
LIGHTHOUSE FINANCIAL GROUP,  
Individually and On Behalf of All  
Others Similarly Situated,

Plaintiff,

-against-

11 Civ. 398 (GBD)

ORDER

THE ROYAL BANK OF SCOTLAND  
GROUP PLC, et al.,

Defendants.

-----X  
ETHAN GOLD, Individually and On  
Behalf of All Others Similarly  
Situated,

Plaintiff,

-against-

11 Civ. 1162 (NRB)

ORDER

THE ROYAL BANK OF SCOTLAND  
GROUP PLC, et al.,

Defendants.

-----X  
DEBORAH A. BATTS, United States District Judge.

Currently before the Court is a Motion to Consolidate three  
putative securities class action cases pending in this District:

(1) In Re Royal Bank of Scotland Group PLC Securities Litigation,

09 Civ. 300 (DAB) (the "Consolidated Action"); (2) Lighthouse Financial Group LLC v. Royal Bank of Scotland Group PLC et al., 11 Civ. 398 (GBD) (the "Lighthouse Action"); and (3) Gold v. Royal Bank of Scotland Group PLC et al., 11 Civ. 1162 (NRB) (the "Gold Action") (all collectively, the "Actions").

In the Consolidated Action, Lead Plaintiff, The Freeman Group, brings claims under the Securities Act of 1933 on behalf of purchasers of RBS preferred shares. In the Consolidated Action, this Court previously dismissed claims asserted on behalf of purchasers of RBS American Depositary Receipts ("RBS ADRs") because no plaintiff was a U.S. purchaser of the RBS ADRs and, therefore, plaintiffs lacked standing to bring claims on behalf of purchasers. See Order dated January 11, 2011. Both the Lighthouse Action, brought by Plaintiff Lighthouse Financial Group LLC ("Lighthouse"), and the Gold Action, brought by Plaintiff Ethan Gold, involve claims under §§10(b) and 20(a) of the Securities Exchange Act of 1934 on behalf of U.S. purchasers of RBS ADRs.

Lighthouse is seeking to consolidate the Gold Action and the Lighthouse Action with the Consolidated Action. Both Ethan Gold and proposed lead plaintiff Irving Firemen's Relief and Retirement Fund seeks consolidation of the Gold Action and the Lighthouse Action, but not with the Consolidated Action. The

Freeman Group opposes any effort to consolidate the Lighthouse and/or the Gold Actions with the Consolidated Action. Finally, in a letter dated March 21, 2011, common Defendant in all three actions, The Royal Bank of Scotland Group PLC ("RBS"), stated that RBS takes no position on Lighthouse Financial Group LLC's Motion to Consolidate the Actions.

Lighthouse seeks consolidation under Fed. R. Civ. P. 42(a) of the Lighthouse Action and the Gold Action with the Consolidated Action. Rule 42 of the Federal Rules of Civil Procedure states, "[i]f actions before the court involve a common question of law or fact, the court may... (2) consolidate the actions; or (3) issue any other orders to avoid unnecessary cost or delay." Fed. R. Civ. P. 42.

The Court finds that neither the Lighthouse Action, nor the Gold Action, should be consolidated with the Consolidated Action. There are two primary reasons for this result: (1) the Consolidated Action has significant differences with the Lighthouse Action and the Gold Action; and (2) the Consolidated Action is farther along, and any further delay in the Consolidated Action is not warranted.

As to the differences in the various actions, the Consolidate Action contains different claims, different class

periods, and purports different classes from the Lighthouse Action and the Gold Action. Furthermore, The Freeman Group brings legal claims under the Securities Act of 1933 on behalf of purchasers of RBS preferred shares, while the Lighthouse Action and the Gold Action brings claims under the Securities Exchange Act of 1934 on behalf of U.S. purchasers of RBS ADRs.

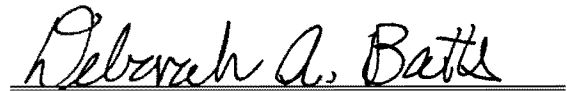
As to the current status of the Consolidation Action, it awaits final briefing on a Motion to Dismiss to the Freeman Group's Consolidate Amended Complaint. This briefing has been contemplated ever since the Court's January 11, 2011 Order on the application of Morrison and the parties are prepared to immediately proceed with this briefing. Putative securities class actions are inherently complex cases for the parties to prosecute and defend, and for the Court to manage, and any further claims, parties and factual allegations would set the Consolidated Action back in time to a point that is unacceptable to the Court.

Lighthouse argues that it is merely stepping into the shoes of the earlier plaintiffs whose claims were dismissed in the Consolidated Action and there is significant overlap in the alleged facts of the actions. These arguments are unpersuasive. While there is some commonality among all the Actions, there are substantive differences in the Actions.

For the reasons above, Lighthouse Financial Group LLC's Motion to Consolidate the Lighthouse Action and the Gold Action with the Consolidated Action is hereby DENIED.

SO ORDERED.

Dated: New York, New York  
May 18, 2011

A handwritten signature in cursive script, reading "Deborah A. Batts", is written over a horizontal line.

Deborah A. Batts  
United States District Judge